

ASSIST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2006 and 2005

ASSIST, INC.

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► Lake, Hill & Myers

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CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

September 12, 2006

To the Board of Directors of
Assist, Inc.

We have audited the accompanying statement of financial position of Assist, Inc. (a nonprofit organization) as of June 30, 2006 and 2005 and the related statement of activities and change in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assist, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2006 on our consideration of Assist, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards on page 12 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lake, Hill & Myers

ASSIST, INC.

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	June 30,	
	<u>2006</u>	<u>2005</u>
Current assets:		
Cash	\$ 48,148	\$ 82,043
Cash - board restricted	2,500	2,500
Grants and contracts receivable	100,409	97,847
Other receivables	<u>371</u>	<u>260</u>
Total current assets	<u>151,428</u>	<u>182,650</u>
Property and equipment:		
Furniture and equipment	11,540	11,540
Less accumulated depreciation and amortization	<u>(11,540)</u>	<u>(11,540)</u>
Net property and equipment	<u>-</u>	<u>-</u>
	<u>\$151,428</u>	<u>\$182,650</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 59,028	\$101,010
Accrued expenses	<u>15,941</u>	<u>15,717</u>
Total current liabilities	<u>74,969</u>	<u>116,727</u>
Net assets:		
Unrestricted:		
Unrestricted	31,805	34,334
Board designated investment	2,500	2,500
Temporarily restricted	<u>42,154</u>	<u>29,089</u>
Total net assets	<u>76,459</u>	<u>65,923</u>
	<u>\$151,428</u>	<u>\$182,650</u>

See notes to financial statements.

ASSIST, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

	<u>Year ended June 30,</u>	
	<u>2006</u>	<u>2005</u>
Unrestricted net assets:		
Revenue:		
Private donations	\$ 2,802	\$ 18,076
Interest income	<u>247</u>	<u>156</u>
Total unrestricted support	3,049	18,232
Net assets released from restrictions:		
Restrictions satisfied	<u>849,105</u>	<u>945,064</u>
Total unrestricted and other support revenue	<u>852,154</u>	<u>963,296</u>
Expenses:		
Program services:		
Emergency Home Repair	676,837	790,143
Planning and Design	44,301	42,011
Accessibility	<u>88,824</u>	<u>73,643</u>
	<u>809,962</u>	<u>905,797</u>
Supporting services:		
Management and general	32,478	33,403
Fundraising	<u>12,243</u>	<u>13,189</u>
	<u>44,721</u>	<u>46,592</u>
Total expenses	<u>854,683</u>	<u>952,389</u>
Change in unrestricted net assets	<u>(2,529)</u>	<u>10,907</u>
Temporarily restricted net assets:		
Public support:		
Private donations	33,258	15,691
Scholarship	6,645	-
Other	-	598
Public grants and contracts:		
Federal CDBG grants	798,267	828,675
Federal Department of Labor grant	-	77,584
State grant - accessibility design	24,000	20,000
State grant - developmental disabilities	-	3,555
Net assets released from restrictions:		
Restrictions satisfied	<u>(849,105)</u>	<u>(945,064)</u>
Change in temporarily restricted net assets	<u>13,065</u>	<u>1,039</u>
Change in net assets	10,536	11,946
Net asset, beginning of year	<u>65,923</u>	<u>53,977</u>
Net assets, end of year	<u>\$ 76,459</u>	<u>\$ 65,923</u>

See notes to financial statements.

ASSIST, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2006

	<u>Program Services Expenses</u>			<u>Supporting Services Expenses</u>		
	<u>Emergency Home Repair</u>	<u>Planning and Design</u>	<u>Accessibility</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Total Expenses</u>
Payroll and related costs	\$ 95,843	\$43,896	\$69,146	\$21,891	\$10,917	\$241,693
Rent and utilities	13,894	-	-	1,635	817	16,346
Supplies	6,645	-	17,278	1,246	415	25,584
Maintenance	1,593	-	-	187	94	1,874
Resident stipend	1,168	-	-	-	-	1,168
Accounting and legal	7,950	-	-	6,327	-	14,277
Travel and vehicle lease	1,023	405	2,400	181	-	4,009
Mileage	4,206	-	-	742	-	4,948
Dues and subscriptions	1,526	-	-	269	-	1,795
Emergency home repairs	<u>542,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,989</u>
Total expenses	<u>\$676,837</u>	<u>\$44,301</u>	<u>\$88,824</u>	<u>\$32,478</u>	<u>\$12,243</u>	<u>\$854,683</u>

See notes to financial statements.

ASSIST, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2005

	<u>Program Services Expenses</u>			<u>Supporting Services Expenses</u>		
	<u>Emergency Home Repair</u>	<u>Planning and Design</u>	<u>Accessibility</u>	<u>General</u>	<u>Fund-Raising</u>	<u>Total Expenses</u>
Payroll and related costs	\$ 95,656	\$41,835	\$68,354	\$23,422	\$11,232	\$240,499
Rent and utilities	13,150	-	-	1,546	774	15,470
Supplies	13,032	37	5,095	2,449	809	21,422
Maintenance	1,230	-	-	145	72	1,447
Resident stipend	1,050	-	-	-	-	1,050
Accounting and legal	6,000	-	-	4,771	-	10,771
Travel and vehicle lease	5,372	139	-	646	302	6,459
Mileage	1,652	-	194	97	-	1,943
Dues and subscriptions	1,853	-	-	327	-	2,180
Emergency home repairs	651,148	-	-	-	-	651,148
Total expenses	<u>\$790,143</u>	<u>\$42,011</u>	<u>\$73,643</u>	<u>\$33,403</u>	<u>\$13,189</u>	<u>\$952,389</u>

See notes to financial statements.

ASSIST, INC.

STATEMENT OF CASH FLOWS

	<u>Year ended June 30,</u>	
	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Cash received from grants and donors	\$ 862,410	\$ 973,946
Cash paid to vendors and employees	(896,552)	(960,999)
Interest received	<u>247</u>	<u>156</u>
Net cash provided by (used in) operating activities	<u>(33,895)</u>	<u>13,103</u>
Net increase (decrease) in cash	(33,895)	13,103
Cash at beginning of year	<u>82,043</u>	<u>68,940</u>
Cash at end of year	<u>\$ 48,148</u>	<u>\$ 82,043</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 10,536	\$ 11,946
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Decrease (increase) in grants receivable	(2,562)	9,661
Decrease (increase) in other receivables	(111)	106
Decrease in accounts payable and accrued liabilities	<u>(41,758)</u>	<u>(8,610)</u>
Net cash provided by (used in) operating activities	<u>\$ (33,895)</u>	<u>\$ 13,103</u>

Schedule of non-cash investing and financing activities:

None.

See notes to financial statements.

ASSIST, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Operational Purpose

Assist, Inc. is a nonprofit corporation organized under the laws of the State of Utah to provide architectural, planning and housing aid to low income people and communities and to provide advocacy on issues of community growth and change.

Financial Statement Presentation

The accompanying financial statements of Assist, Inc. have been prepared on the accrual method of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Assist, Inc. reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted - accounts for unrestricted assets (net of related liabilities) available for support of the organization's operations. Assets designated by the Board of Directors for a specific purpose also are accounted for in this fund.

Temporarily Restricted - accounts for resources currently available for use, but expendable only for purposes specified by the donor.

Permanently Restricted - accounts for gifts requiring in perpetuity that the principal be invested and the income only be used.

Property and Equipment

Property and equipment are recorded at acquisition cost or, where donated, at estimated market value at the date of the donation. Depreciation is computed using the straight-line method based on estimated useful lives ranging from 3 to 5 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand and highly liquid investments with original maturities of three months or less. Restricted cash is not considered a cash equivalent.

Donated Services

Amounts for donated services are reflected in the financial statements if the services create or enhance nonfinancial assets or if the Organization would be required to pay for the services if not donated. No amounts have been reflected in the financial statements for donated services.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are recorded as revenue when cash is received or Assist, Inc. receives an unconditional promise to give from the donor.

Nonprofit Status

Assist, Inc. was organized as a nonprofit corporation in accordance with the laws of the State of Utah and is exempt from federal income taxation under provisions of Section 501(c)(3) of the Internal Revenue Code.

Grants from Municipalities

Grant funds are received on a cost reimbursement basis. Revenue is recognized to the extent qualified expenses are incurred in accordance with the provision of the respective grants.

Functional Expenses

Assist, Inc. allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are directly classified to that program or service. Other expenses that are common to several functions are allocated on a reasonable and systematic basis.

Assist, Inc.'s principal programs comprise the following:

Emergency Home Repair - A grant program for emergency home repair and rehabilitation to preserve and upgrade the homes of low and moderate income persons. This includes the provision of technical services, financial services and repair activities when dwelling units are substandard and/or may be in danger of leaving the available housing stock unless the indicated repairs are completed.

Planning and Design - These projects include the provision of architectural, design and planning services to qualified Community Development Block Grant programs, qualifying low or moderate income individuals, and nonprofit community-based or community service oriented organizations rendering services to low and moderate income individuals.

Accessibility - The program offers repair and technical services to qualified low and moderate income individuals concerning home modifications for handicapped accessibility.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable at June 30, 2006 and 2005 represent amounts due from various local municipalities for reimbursement of various approved expenses under grants or contracts through June 30, 2006 and 2005.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at June 30, 2006 and 2005 represent resources currently available for use, but expendable only for the specific purposes as follows:

	June 30,	
	2006	2005
Transit Friendly Design	\$ 1,980	\$ 1,980
Future Moves	63	63
Accessibility	14,472	7,992
Technical Assistance	8,603	9,008
Accessibility Guidebook	2,287	3,616
Project Care	3,901	2,227
Visual Preference	1,890	1,890
Open Space	1,800	1,800
Housing Design Evaluation	513	513
Scholarship	6,645	-
	<u>\$42,154</u>	<u>\$29,089</u>

NOTE 4 - LEASE COMMITMENTS:

Assist, Inc. currently leases office space for \$809 per month. This lease is on a month to month basis.

During the year ended June 30, 2002, Assist, Inc. entered into a lease agreement for a company vehicle, which expired March 2005. Vehicle lease expense totaled \$2,328 for the year ended June 30, 2005.

NOTE 5 - RETIREMENT PLAN:

Assist, Inc. established a defined contribution retirement plan (the Plan) for the benefit of its employees. The Plan is administered by TIAA-CREF. Under the Plan a predetermined contribution is made to the account of each participating employee based on annual compensation levels. An employee must meet certain eligibility requirements in order to participate in the Plan. Assist, Inc. made contributions to the Plan totaling \$10,238 and \$12,973 for the years ended June 30, 2006 and 2005.

NOTE 6 - CONCENTRATIONS:

The majority of Assist, Inc.'s support is provided by the Department of Housing and Urban Development through Community Development Block Grants. A loss of this support would have a materially adverse effect on Assist, Inc.

NOTE 7 - LOAN PROGRAM ADMINISTRATION:

During the year ended June 30, 2000, Assist, Inc. was engaged to administer the Deferred Loan Program for Unincorporated Salt Lake County, Midvale City and Murray City. Deferred loans of up to \$7,500 are available to qualifying low-income homeowners for critical home repairs which are beyond the scope of the emergency home repair program administered by Assist, Inc.

During the years ended June 30, 2005, Assist, Inc. was involved in assisting with Salt Lake County loans totaling \$7,306. These loans are not reflected in the accompanying financial statements of Assist, Inc., because Assist, Inc. acts only as the administrator and the loan amounts are repayable to Salt Lake County based on the provisions of the loan. There were no Salt Lake County loans during the year ended June 30, 2006.

ADDITIONAL INFORMATION

ASSIST, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2006

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development:		
Community Development Block Grant Pass-through (1):		
Salt Lake County 04-05	14.218	\$ 7,220
Salt Lake County 05-06	14.218	227,734
South Salt Lake 04-05	14.218	3,750
South Salt Lake 05-06	14.218	31,450
Murray City 04-05	14.218	2,122
Murray City 05-06	14.218	48,138
Midvale City 04-05	14.218	1,178
Midvale City 05-06	14.218	29,474
Holladay 04-05	14.218	740
Holladay 05-06	14.218	1,686
Salt Lake City 05-06	14.218	324,306
Sandy City 04-05	14.218	2,384
Sandy City 05-06	14.218	29,111
West Jordan 05-06	14.218	46,308
Taylorsville 05-06	14.218	39,416
Draper 05-06	14.218	<u>3,250</u>
		<u>\$798,267</u>

Significant Accounting Policies

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting and accordingly reflects all significant payables and other liabilities. A summary of Significant Accounting Policies used in the preparation of the financial statements is on pages 7 through 8.

(1) Major program

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 12, 2006

To the Board of Directors and Management of
Assist, Inc.

We have audited the financial statements of Assist, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated September 12, 2006. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Assist, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Assist, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill & Myers

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 12, 2006

To the Board of Directors and Management
of Assist, Inc.

Compliance

We have audited the compliance of Assist, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. Assist, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Assist, Inc.'s management. Our responsibility is to express an opinion on Assist, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Assist, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Assist, Inc.'s compliance with those requirements.

In our opinion, Assist Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Assist, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Assist, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lake, Hill & Myers

ASSIST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006

Summary of Auditors' Results

- i. The auditor issued an unqualified opinion on the financial statements of the Organization.
- ii. There are no reportable conditions or material weaknesses in internal control over the financial statements disclosed as a result of the audit of the financial statements.
- iii. The auditor noted no noncompliance which is material to the financial statements of the Organization.
- iv. There are no reportable conditions or material weaknesses in internal control over major programs disclosed as a result of the audit of the financial statements.
- v. The auditor issued an unqualified opinion on compliance with requirements applicable to each major program.
- vi. The auditor identified no findings reported under the caption of Audit Findings.
- vii. Major program consists of:

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
United States Department of Housing and Urban Development: Community Development Block Grant	14.218	\$798,267

- viii. The Organization had only a single Type A program for the year ended June 30, 2006. The dollar threshold to distinguish Type A and Type B programs was \$300,000. Programs were selected to meet the percentage coverage rule of OMB Circular A-133 paragraph .520(f).
- ix. The Organization qualifies as a low risk auditee under paragraph .530 of OMB Circular A-133.

Audit Findings

There are no audit findings resulting from the audit.

ASSIST, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2006

Ref

Finding

There are no prior audit findings.

ASSIST, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2006

Ref

Corrective Action

There are no corrective action plan comments.